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Excellence, Inc. Final Assessment

Final Report
August 2005

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ABSTRACT

This report presents a final overview of consultant Andrew Kaiser’s support for Excellence, Inc. (EXI). It details activities undertaken to support EXI to achieve fully sustainable operations and provide institution-building services to Jordanian institutions without the need for additional donor support. It also assesses EXI’s performance against its grant requirements.

ACRONYMS

AMIR	Achievement of Market Friendly Initiatives and Results
COE	Centers of Excellence
EXI	Excellence, Inc.
JGATE	Jordan Garment and Apparel Textile Exporters
KAAGPT	King Abdullah Award for Government Performance and Transparency
NAFES	National Fund for Enterprise Support
NGO	Non Governmental Organization
OM	Office Manager
OPMGR	Operations Manager
USAID	United States Agency for International Development

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EXECUTIVE SUMMARY

This report details the final in a series of consultancies to support the start-up and performance of Excellence, Inc. (EXI) a Jordanian non-governmental organization that supports Jordanian organizations to achieve excellence in their institutional and operational capabilities.

The main finding of this consultancy, and of this report, is that EXI is well on its way to operational and financial sustainability. EXI has already serviced several clients and supported them to improve their overall levels of performance. EXI is currently building on its good reputation to continue building its client base and to widen its impact. Most importantly, EXI is relatively active in the identification of its own internal strengths and shortcomings, and is constantly taking steps to improve its performance and to better achieve its mission.

The report begins with a background as to how and why EXI came into existence and a review of EXI's status against its grant requirements.

Following is an overview of organizational constraints and risks that EXI faces, and the steps that EXI has taken to address these constraints.

Lastly, the report provides insights on EXI's current costs and possible billing rates, and commentary on a recently proposed employee incentive plan. Both of these sections are in response to specific requests made by EXI's CEO for this consultancy.

This consultant would also like to note that while not the focus of this report, EXI is actively creating opportunities for itself. Two examples worthy of mention are the semi-annual publication: 'Excellence the Magazine', and the spearheading of an upcoming public sector performance conference in Jordan. Both of these are sure to benefit the Kingdom of Jordan's efforts for ongoing government and organizational improvement and reform.

This consultant is generally pleased with the overall performance of EXI, and is confident that they will make a positive ongoing contribution to Jordan's overall development efforts.

I. INTRODUCTION

Consultancy Purpose

The purpose of this report is to present a final assessment of Excellence, Inc., an Amman-based not-for-profit organization that was originally inspired by the Achievement of Market Friendly Initiatives and Results (AMIR) Centers of Excellence (COE) Program.

Timeline

This consultancy took place over twelve working days from June 27-July 14, 2005.

The Beginnings

In July 2002 the AMIR Program initiated its Centers of Excellence (COE) Program with the vision of creating a culture of government excellence in Jordan, with numerous institutions, individuals, and groups propelling themselves to set and surpass the international standard for best practice in their governing functions. The program chose eight economic-oriented partner institutions to carry out their dual mission statement: to facilitate the transformation of these selected partners into certified Centers of Excellence; and to create, support, and institutionalize activities and incentives that inspire a culture of and an enabling environment for government excellence.

From the onset of implementation, the COE program sought to weave its efforts into the fabric of Jordan's overall strategy for improving the public sector and especially the performance of its public institutions. Initially, this entailed working closely with the then newly developed King Abdullah Award for Government Performance and Transparency (KAAGPT), ensuring that government agencies had one clear criteria for excellence. The KAAGPT also served, and continues to serve, as a powerful motivator for government agencies to embark on ambitious institutional reforms. In some instances, this bolstered the effectiveness of COE Program efforts.

In 2004, AMIR COE staff initiated plans for the program's exit strategy through a USAID grant. This grant provided start-up funding for a non-governmental organization (NGO) to carry on the COE concept. The grant was authorized in March 2004 and Excellence, Inc. became a legal entity shortly thereafter. Excellence, Inc. now: (i) provides AMIR COE Program services to an expanded number of Jordanian government clients; (ii) operates as a primarily private sector driven public-private partnership; (iii) has a legal mandate and structure that allows for future expansion, and (iv) serves as a viable entity to extend and expand COE Program activities.

Excellence, Inc. is now an active and independent organization. It is striving to become a completely self-financing institution that is able to support myriad Jordanian institutions to become Centers of Excellence. This, we feel, is fundamental to Jordan's overarching socio-economic goals.

II. GENERAL CONCLUSIONS

The conclusion of this assessment is that Excellence, Inc. is performing well and has become a viable and beneficial Jordanian organization. This consultant feels that EXI is fully capable of sustainably filling the void left by the AMIR COE Program, and of providing highly beneficial services in support of myriad Jordanian organizations in the public and private sectors.

A. Progress against Grant Milestones

The following list EXI's grant requirements, followed by the status of completion.

Grant Requirement A: Board of Directors identified and appointed. CEO and technical staff hired.

Outcome: Complete. This requirement has been met.

Grant Requirement B: NGO offices secured, set up, and furnished.

Outcome: Complete. This requirement has been met. EXI moved into its new, fully set up offices in January 2005.

Grant Requirement C: Number of Institutional Transformation (COE) clients:

Month	Grant Target Requirement	EXI Actual (July 2005)
December (2004)	2	5
January (2005)	4	1
February	1 (5)*	1
March	0	0
April	0	0
May	2	1**
June	0	0

*Represents grant requirement before grant extension and the revision of milestones.

**This consultant is counting three small contracts with the Aqaba Special Economic Zone Authority (ASEZA) as the equivalent of one institutional transformation contract.

Outcome: EXI is currently one institutional transformation client short of its projections. This is largely based on revisions to the grant requirements. This consultant does not see this as of great concern, though EXI should redouble its marketing efforts so as not to allow this to happen.

Grant Requirement D: New product development for prospective private sector, business association, and non-governmental clients.

Outcome: EXI is currently entering into the business association and private sector markets simultaneously. Innovative marketing made this possible. EXI convinced NAFES, a Japanese-funded small enterprise support fund, to underwrite 70 percent of the cost for EXI’s institutional transformation services, for a few small businesses meeting NAFES requirements. EXI then solicited interest from J-GATE, the Jordanian garment association, to ‘sell’ these underwritten services to select J-GATE businesses. As a result, J-GATE will receive EXI’s institutional transformation services on a pro-bono basis, and three J-GATE private sector members will leverage NAFES support to pay for EXI’s services at a discounted rate.

Grant Requirement E: (Meet) Revenue targets (in JD) (booked revenue accounting)

Month	Grant Target Revenue Requirement (JD)	EXI Booked Revenue (JD)	EXI Received Revenue (JD)
October (2004)	0	0	0
November	0	19,800	0
December	17,417	33,028	0
January (2005)	31,667	13,500	0
February	17,813	0	0
March	0 (25,333)*	0	13,078
April	0 (11,875)*	5,500	2,250
May	25,333 (0)*	6,750	550
June	11,875 (0)*	17,400	33,550
Totals	104,105	95,978	49,428

* Numbers in parenthesis represent pre-grant revision requirements. Essentially, EXI simply pushed back revenue targets for two months. This consultant does not feel that this presents any problem.

Currently, EXI’s booked revenue is 95,978JD. EXI’s target for the end of June was 104,105JD. EXI is slightly behind on its targets. Furthermore, billings for June booked revenue (and the projects themselves) begin first in August. While EXI is behind on its targets, this consultant remains cautiously optimistic. In the previous assessment, the concern was that EXI risked falling further behind against revenue targets in subsequent months. This did happen. However, it occurred to a much lesser degree than this consultant had anticipated. EXI found

additional clients and revenue sources to help bridge this gap. While still much more needs to be done in order to gain a sufficient client backlog, EXI is taking significant steps in the right direction. Of greater concern to this consultant is EXI's received revenue, which lags significantly behind book revenue. As yet, none of this is bad debt¹ and EXI CEO Majd Abbassi is not overly concerned with the low levels of received revenue.

Additional grant information:

Spending

The following chart provides information on EXI's grant spending, providing actual vs. targeted spending amounts. This illustrates that EXI has yet to spend 127,405 JD worth of grant funding. The grant extension, through December 2005, provided sufficient time for EXI to make worthwhile use of this money. The second chart below estimates anticipated monthly expenditures for grant extension months, as well as proposed expense line items that are extraneous to EXI's salary and overhead costs.

Month	Grant Target Spending (JD)	EXI Actual Spending (JD)
October (2004)	39,363	7,150
November	67,793	15,640
December	37,843	44,952
January (2005)	55,786	17,651
February	12,554	28,505
March	33,455	15,901
April	24,716	13,984
May	19,872	36,692
June	30,326	13,818
Totals	321,708	194,293

¹ Defined here as over three months (one quarter) overdue.

Excellence, Inc. Final Grant Assessment

Month	Proposed Spending	Planned Purchases 'Non-standard'	Estimated Cost
July (2005)	26,148	None scheduled	0
August	24,723	Software for EXI toolkit	6,000
September	24,348	Conference	24,000
October	23,848	Video conferencing equipment	18,000
November	15,348	None scheduled	0
December	22,628	None scheduled	0

B. Progress/Setbacks since the Previous (January 2005) Assessment

1. Operational Issues

Operations Issue	Consequences	Proposed Solution	Conclusion of Grant Update
Electronic filing system not being used.	<ul style="list-style-type: none"> ▪ Institutional knowledge not captured, especially when employees leave. ▪ Reduced knowledge sharing capabilities. 	<ul style="list-style-type: none"> ▪ OPMGR to send email reminder. ▪ Each staff member should send email when they have completed this task. ▪ Knowledge Management part of employee reviews and consequences attached. 	<ul style="list-style-type: none"> ▪ By and large the electronic filing system is in-place. However, EXI personnel generally do not actively contribute to the filing system. This is not viewed, in practice, as an essential job responsibility.
Weekly progress report not completed by most of team.	<ul style="list-style-type: none"> ▪ CEO doesn't know how time is being allocated to various projects and clients. ▪ CEO can't lead and direct staff. ▪ Unable to identify roadblocks, missed deadlines, etc. ▪ Jeopardize relationship with AMIR because Greta has asked for this repeatedly. 	<ul style="list-style-type: none"> ▪ OPMGR sends email with new process and guidelines for reports. ▪ Office Manager (OM) to send reminder on Wednesdays. ▪ Reports to be sent to OPMGR and OM; OM collects and sends all to PSPI Team Leader in one email. ▪ OPMGR provides feedback and sends to CEO; CEO provides feedback to team. 	<ul style="list-style-type: none"> ▪ Weekly progress reports were completed regularly through May. The quality of the reports varied by technical specialist, and generally improved over time. The responsibility for putting these reports in EXI's electronic files has not yet been fully taken on by the permanent operations manager. These reports remain an as yet under-utilized as a management tool.
Performance appraisals have not been conducted.	<ul style="list-style-type: none"> ▪ Team does not know their areas for improvement; they have no incentive to improve. ▪ No performance standards and accountability. 	<ul style="list-style-type: none"> ▪ CEO sets date for 6-month review. ▪ CEO reviews appraisal form. ▪ OPMGR sends and collects self-appraisals. ▪ CEO completes review form and conducts individual meetings. 	<ul style="list-style-type: none"> ▪ Six month performance appraisals have been completed for technical staff but not for support staff. This fact leads this consultant to suspect that this process has not yet been institutionalized at EXI.
Team does not keep calendar up to date.	<ul style="list-style-type: none"> ▪ Difficult to schedule meetings and coordinate. ▪ Cannot notify callers where people are and when they will return. 	<ul style="list-style-type: none"> ▪ Install exchange server. ▪ OM manages CEO calendar. ▪ Propose to the group to use Outlook calendar and scheduling and gain consensus. ▪ Provide training if needed. 	<ul style="list-style-type: none"> ▪ Some EXI personnel keep updated calendars but not all. Calendars are not yet a reliable source of information as to EXI personal whereabouts/activities.
No weekly team meeting.	<ul style="list-style-type: none"> ▪ Lack of coordination and attention to operations issues. 	<ul style="list-style-type: none"> ▪ Schedule weekly meeting. ▪ OM keeps the agenda. ▪ PSPI Team Leader attends bi-monthly meeting. ▪ Include monthly financial update. 	<ul style="list-style-type: none"> ▪ Team meetings now occur weekly and appear to be very productive.
Performance	<ul style="list-style-type: none"> ▪ Team does not know whether they 	<ul style="list-style-type: none"> ▪ Set deadline with accountant or 	<ul style="list-style-type: none"> ▪ Performance monitoring is still in its

Operations Issue	Consequences	Proposed Solution	Conclusion of Grant Update
monitoring database not completed. M&E system not implemented – no data gathering, entry, analysis.	<p>are meeting strategic objectives and target indicators.</p> <ul style="list-style-type: none"> ▪ Cannot identify areas for improvement. 	<p>outsource.</p> <ul style="list-style-type: none"> ▪ Train OM to collect and enter data. 	<p>infancy stages. Information by and large exists but is not collated sufficiently to be useful as a management tool at the macro decision making level.</p>
Training registration database.	<ul style="list-style-type: none"> ▪ Do not have a central database to record training attendees and training evaluations. ▪ Cannot assess impact of trainings. 	<ul style="list-style-type: none"> ▪ Discuss cost-benefit with CEO. 	<ul style="list-style-type: none"> ▪ EXI has opted not to use a database. However, training monitoring and follow-up systems are in place and of high standard.
No contact database.	<ul style="list-style-type: none"> ▪ Cannot send email announcements and advertisements. ▪ Cannot easily locate contacts of other team members. 	<ul style="list-style-type: none"> ▪ Install exchange server. ▪ Collect contact lists. ▪ Purchase business card scanner. ▪ Create contact database. ▪ Obtain AMIR database. ▪ Hire data entry person to clean it up. 	<ul style="list-style-type: none"> ▪ EXI opted not to maintain an organizational contact database. Instead, each employee should maintain his/her own. This consultant does not favor such a situation as it may lead to loss of information (and information availability) due to employee turnover.

2. *January Assessment Findings and Current (June) Update*

The following is a list of concerns, or assessment findings, as identified by this consultant during January, 2005. Following each finding from that report is a current (June) update of steps that EXI has taken in response to the findings.

1. EXI's internal operations are severely lacking. Excellence, Inc. has created the essential elements of an internal framework for institutional excellence. Operating procedures, reports, and deliverables are clearly stated with accompanying deadlines. However, EXI staff largely neglect to fulfill their operational commitments. Enforcement mechanisms are largely non-existent.

For an organization that supports institutional excellence, this finding is alarming. EXI is still new and has a lot to learn. Their strong client focus is worthy of praise but is not enough. Strong, institutionalized operational procedures that are adhered to by all staff are an immediate imperative. Section IV provides a list of EXI institutional shortcomings, potential consequences, and recommended solutions.

June Update: This has improved but remains a problem. While increased and improved systems, such as time/billability sheets in the electronic files, regular weekly meetings to discuss operational issues (amongst other things) and the contracting of a full-time accountant are all positive signs, the impending departure of Operations Manager Jennifer Hill and transfer of her responsibilities to a technical specialist who is expected to bill 60percent of his time suggests that progress made in the area of operational effectiveness is at risk. EXI leadership should be aware of this risk and should actively seek to ensure that operations continue to improve over time. The incoming EXI intern may serve beneficial in this regard.

2. EXI is neglecting their most important client: USAID/AMIR. While EXI has come very close to meeting stated grant milestones, EXI has not met its implicit obligations to the AMIR Program, and by extension USAID. Reports submitted to AMIR are inadequate. Individual consultant reports are overdue and have not been made a priority.

June update: This is no longer the case. EXI has a positive relationship with the AMIR program, and is making a better use of AMIR resources, most particularly the strategic advice of AMIR's Private Sector Policy Initiative (PSPI) Component Leader Greta Boye.

3. EXI's relationship with the King Abdullah Award for Government Performance and Transparency (KAAGPT) is not yet solid. EXI's proposal to provide support to KAAGPT, on a fee-for-service basis, has not yet been accepted by the award—which viewed the offer as overly expensive. EXI is actively working to resolve this issue.

June update: EXI now has a solid relationship with KAAGPT, having won and successfully implemented a contract to support KAAGPT to train award assessors.

4. EXI needs to establish operational systems and procedures so that EXI can serve as a true example to its clients. This is an imperative that should receive immediate attention.

June update: Significant progress has been made in this area. Financial reporting to the AMIR Program has been commended by AMIR as having improved significantly. Weekly operational meetings are well attended and have significantly improved internal communications. In other areas, problems remain. For example, calendars aren't kept up to date. Weekly reports vary in their quality and completeness, central files are not regularly kept up-to-date by technical personnel, etc.

5. EXI does not yet have enough clients. EXI has revised its approach so that it needs to service fewer clients in order to achieve full financial and operational independence and sustainability. This is fine, and EXI is learning a lot as it services its first batch of clients. Ultimately, however, EXI will need to learn to handle an increased client load.

June update: This remains the case. The shortcoming is more in winning clients than in servicing them. EXI is taking steps to address this, namely by creating financial incentives for EXI employees to market effectively and attract more clients.

6. EXI CEO Majd Abbassi needs to focus more time on leading EXI and on building EXI's organizational capacity.

June update: This has largely taken place. CEO Majd Abbassi is using in-between client 'down-time' to focus on EXI organizational strengthening and team-building. There are areas, such as filling out time-sheets and completing all employee evaluations, where Mr. Abbassi could have set a better example in the area of operations.

3. Risks

The following provides an update on EXI's seven primary risk factors as identified at the onset of EXI's establishment. Potential risks facing EXI's ability to meet its objectives have decreased significantly since the onset of EXI operations.

Risk I: Inability to find qualified leadership, technical personnel

Risk level: low

Precautions: competitive salaries, comprehensive recruiting efforts in Jordan and the Gulf countries

January 2005 assessment: Remains low. EXI's leadership is capable. EXI technical personnel, for the most part, are sufficiently growing into their roles.

June 2005 update: This is no longer a risk. The CEO is qualified and competent. While there was a fair amount of necessary turnover from the first group of consultants, existing technical personnel and competent and should fare well.

Risk II: Inability to maintain explicit and implicit independence of the NGO

Risk level: medium

Precautions: four rotating Board of Director (BOD) positions, strict by-laws governing independence, regular assessment of client's perception regarding organization's perceived independence and effectiveness; AMIR Program support

January 2005 assessment: The risk of EXI losing its independence is low. EXI is firmly established as an independent organization. However, greater board involvement would benefit EXI.

June 2005 update: Risk level: low. The board of directors has gone through a rotation cycle and come out unscathed. EXI's Chairman, Walid Al Turk, is performing capably and is respected and valued by EXI. EXI could possibly benefit from a slightly more active board, especially as remaining direct USAID support—(i.e. AMIR's PSPI component leader attending weekly meetings, EMDAP intern support, grant oversight) comes to an end.

Risk III: Insufficient private sector understanding of EXI's purpose

Risk level: medium

Precautions: active engagement, high level organizational support, active participation of the BOD in soliciting private sector involvement, publication of successes; demonstration services

January 2005 assessment: remains medium. This risk has yet to be tested as EXI has not yet actively pursued private sector clients.

June 2005 update: Risk level: low-medium. The private sector is thus far largely unaware of EXI's services. EXI has yet to begin widespread expansion into the private sector. However, EXI now has sufficient successes under its belt, and communication channels (though no communications plan) to position the organization well when it does choose to actively pursue private sector clients.

Risk IV: Inability to rapidly develop sufficient client base and financial sustainability

Risk level: medium

Precautions: solicit financial support from MoAD to initial services to government agencies (or link services provision to KAAGPT participation) Carry out initial benchmarking assessments, strategic planning facilitation; Utilize BOD to solicit private sector commitments; tie benefits to ongoing support; achieve, publicize private sector friendly results

January 2005 assessment: remains medium. EXI has gotten off to a solid start with a portfolio of seven clients. EXI's success or lack thereof hinges largely on the ability to win and manage a growing number of clients simultaneously.

June 2005 update: Risk level: medium. EXI has serviced a ‘first-batch’ of seven organizational transformation clients. While EXI is actively marketing and has strong leads on multiple high-potential additional clients, it has not yet secured these clients and continues to incur overhead costs. EXI has established itself and is in a much better position to expand its client-base than ever before. However, ideally EXI would have completed the sale of its services to an additional batch of organizations while it serviced the first batch. More measured, planned marketing efforts are necessary to ensure this in the future, and to ensure EXI’s ongoing financial viability.

Risk V: Potential abuse of EXI’s advocacy services through rent seeking and/or undue special interest policy manipulation

Risk level: low

Precautions: BOD review of service requests/provision; legally codified BOD structure that supports best-practice BOD operating procedures

January 2005 assessment: remains low. Advocacy services have not yet become a sufficient part of EXI’s business for this risk to have materialized. This risk has thus yet to be tested.

June 2005 update: Risk level: low. This has not yet been a problem and does no longer seem to be a threat. The composition and rolling nature of the board have served well to safeguard against this.

Risk VI: Lackluster participation of government agencies

Risk level: Low-medium

Precautions: secure high level support for EXI (i.e. His Majesty King Abdullah II announcing launch) maintain connection to KAAGPT (i.e. criteria revisions); regular dialogue between BOD and award management

January 2005 assessment: This risk no longer exists. EXI’s existing clients are extremely engaged and are very actively working towards institutional reforms. This is due almost exclusively to their participation in the KAAGPT.

June 2005 update: Risk level: low. EXI’s government agency clients have actively participated once engaging EXI’s services. The King Abdullah Award has proven a strong incentive. However, it remains to be seen if government leaders are willing to engage EXI’s services in absence of the award incentive.

Risk VII: Failure of KAAGPT, other excellence awards

Risk level: low

Precautions: pro-bono support to establish criteria for future awards, support assessors as needed

January 2005 assessment: This risk has risen to medium. The KAAGPT remains in place and all indications are that it will continue. However, it appears to face serious threats to its legitimacy. The internal government debate as to where it should be housed continues. Resources for implementing the award appear limited. High level support for the award exists, but this support does not appear completely solid. The risks here are twofold: (1) that the award does not receive sufficient continuing, top-level support and resources, and (2) that the award loses legitimacy among government agencies vying for it due to inconsistent or inadequate award assessments and rankings.

June 2005 update: Risk level: Low. Evaluations for the second KAAGPT are currently underway. KAAGPT has just received a large influx of money and is currently being set-up as an independent organization that will likely eventually house King Abdullah Awards for other sectors as well. However, at the time of this consultancy, it is premature to determine whether or not the award will solidify its legitimacy with this round. The level of this risk will be clearer after the Awards ceremony, currently scheduled for September of 2005.

III. Client Feedback

This consultant was only able to review feedback from four of EXI's initial seven institutional transformation clients due to client delays in filling out feedback forms. Still, a clear trend is evident. Clients appear largely satisfied with EXI's services. EXI appears especially strong in its technical support for the Finance and Process criteria. However, clients clearly felt the impact of EXI technical specialist turnover, noting that this hurt the overall quality of EXI's services. Additionally, EXI is seen as weak in its technical expertise in the Knowledge Management criterion. EXI is by and large not viewed as sufficiently responsive, and responses suggest less-than-optimal overall EXI project management. In spite of these areas for improvement, responses were all clearly positive, and EXI's initial clients expressed interest—as yet unrealized—of contracting EXI for future work.

IV. Other Deliverables

In addition to the core purpose of this consultancy, assessing EXI's progress against grant milestones, the consultant was asked to (1) establish a sustainable billing rate for EXI's technical consultants, and (2) provide feedback on EXI's proposed employee compensation plan.

A. EXI Billing Rate²

Per the request of EXI CEO Majd Abbassi, this consultant carried out an assessment of EXI's financials in order to determine a viable billing rate. The purpose of this exercise is to ensure that EXI bills its clients sufficiently to better understand what it must do, and how much it must bill, in order to achieve full financial viability---independent of grant funding.

This review resulted in the following conclusions:

Average (mean) break-even billing rate of EXI consultants:	202 JD/day
EXI consultant multiplier:	3.02

These conclusions are based on the following assumptions:

- EXI technical consultants bill 75percent of their time to clients.
- EXI's consultant/Operations Manager will bill 60percent of his time to clients.
- EXI CEO bills 30percent of his time to clients.
- EXI's new communications officer bills 50percent of her time to clients.
- Remaining EXI employees are completely un-billable.

Assumptions for EXI's institutional transformation clients:³

- Average fee of 9,000JD for each institutional transformation client
- Average time-cost of 61 billable consulting days required to effectively service one institutional transformation client.

B. Compensation Plan

The consultant reviewed EXI's proposed employee incentive plan. This consultant feels that significant changes and modifications are necessary for this to serve as a viable incentive plan. The major issue is that it focuses almost entirely on creating financial incentives for individual employees to bring in additional clients. An additional problem is that it proposes that excess revenue generated by EXI should directly result in employee bonuses, essentially taking away the discretion and responsibility of the board of director's to use this potential resource to further EXI's mission of strengthening Jordan's organizations and institutions. This is not acceptable, nor is it allowable under EXI's by-laws. The concern this consultant has results less from this proposal per se, and more from the (consultant's) perceived lack of understanding among EXI's staff of EXI's status as a non-profit organization created with the primary objective of advancing institutional excellence in Jordan. As is, this consultant feels the incentive plan would

² Annex A contains excel sheets and more detailed numeric information on costing data.

³ These clients pay a fixed price for EXI's services. Thus, these additional assumptions are relevant.

likely result in the negative side effect of EXI personnel neglecting to service clients sufficiently in favor of trying to win new clients due to financial incentives. Ultimately, this would undermine EXI's servicing of its clients, its reputation, and its ability to achieve its mission.

Specific recommendations to incentive plan:

- Better define the parameters for bringing in new clients and receiving bonuses.
- Reduce bonus incentives for bringing in new clients, perhaps by scaling 10percent down for larger projects.
- Cap incentive awards. No award for an individual sale (even if it is to a group of new clients or in a new market) should exceed a reasonable sum. This consultant recommends a 1500JD cap.
- Tie business development bonuses to billability rates. (i.e. create disincentive for technical consultants to neglect their primary duty of providing high-quality services to existing clients in favor of marketing to new clients)
- Create incentives for successful client management (client satisfaction surveys and repeat business from clients managed). As exceptional customer service and extremely satisfied clients are ultimately more important than sales, (and in the case of repeat clients are tied to sales) these incentives should weigh as heavily as incentives to bring in new clients.
- Employee bonus 'pool' should also be tied to the previous fiscal year's performance. The CEO should present one percentage---based on the past year's performance of the organization---to the board of directors. The BOD could negotiate this percentage and provide a range within which the CEO must operate. The bottom of this range would represent only a cost-of-living adjustment. The CEO would then make decisions and allocate raises at his discretion, so long as all employees receive an increase that is within this range and that the mean of all employee raises equals the percentage negotiated between the CEO and the BOD.
- Raises that exceed cost-of-living adjustments should only come once EXI achieves full financial independence and sustainability.

V. Recommendations and Conclusion

A. Recommendations

This consultant recommends the following at this point and time:

- Give serious consideration to revising the incentive package before presenting it to the BOD for approval.
- Ask for a firm six month renewed commitment for technical consultants taking on project management responsibilities for new EXI clients.
- Create and implement a response guarantee, setting and following internal rules for client responsiveness. This would entail improved logistics and (sometimes) extra hours.
- Resume EXI internal strategic planning efforts.
- Stop marketing efforts for regional expansion for (at least) the duration of the grant period in order to focus on EXI's core mandate of servicing Jordanian organizations.
- Create monthly financial reports and genuinely use them as a management tool.
- Pursue pursuing regular 'bridge' matching funding to attract KAAGPT clients during off periods. This would follow a model similar to the NAFES/J-GATE client model.

B. Conclusion

Excellence, Inc. is on the right track, on its way to becoming a fully sustainable organization. While EXI has not yet fully 'hit its stride', it is getting close. EXI continually takes decisions to improve itself, better attract and service clients, and add value. This, more than anything else, leaves this consultant satisfied that EXI will likely establish its role as a bastion of organizational excellence, and accomplish its mission of supporting organizational excellence in a wide-array of Jordanian institutions.